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ST. CHARLES PARISH


DEPARTMENT OF FINANCE

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TO: V. J. St. Pierre, Jr., Parish President

FROM: Grant M. Dussom, CPA, Director of Finance 

SUBJECT: 2014 Annual Report

Presented herein is a complete operating report on the affairs of the Department of Finance for the fiscal year 2014.

During 2014, one crucial position was required to be filled. In June of 2014, my Account Technician One, Joy Aguilar, announced that she would be retiring January 19, 2015. As a result, Kristi Bernard, one of the Accounting Clerk IIs in my office was promoted to Account Technician, leaving her spot open. After an extensive search, the Finance Department hired Jessica Baudoin as her replacement. Once Jessica is trained, and with the trainings for each position still in progress, I feel that the Finance Department is at full operating capacity and it is as strong as it has ever been. This strength in part stems from the knowledge and dedication of J. Charles Oubre, III with over 30 years of experience in the Finance Department and given the influx of a younger generation into this Department, the knowledge that has been and will continue to be bestowed upon them from Mr. Oubre will indeed solidify the excellence and integrity of this department for years to come.

Sales taxes totaled approximately \$29.7 million for 2014, a decrease of approximately \$5.4 million from 2013. This of course is a tremendous shift from the previous record high met in 2012, which was due to multiple plant expansions that occurred in 2012. The Parish therefore has witnessed two consecutive years of decreases of 17-18%, versus the 27% increases that occurred in 2012. The Sales tax collection agent for the Parish estimates a slight increase in 2015 due to planned expansions in 2015, which will hopefully signal a turnaround from year to year in sales taxes. This trend must continually be monitored as it inhibits the Parish's ability to complete capital projects. The increases witnessed in the past have allowed the Parish to pursue large Capital projects, specifically in the Roads and Drainage budget as well as allowed transfers from the General Fund to Recreation and Wastewater for projects. With the current state of the National economy though, such projects for the future will need to be delayed unless future

spikes in tax revenue occur or alternate funding sources can be located. Below is a chart showing the history of Sales tax collections for the past 10 years.

**ST CHARLES PARISH
HISTORY OF SALES TAX COLLECTIONS**

Year		Collections	% Change
2004	Actual	20,304,469	
2005		24,488,947	17.09%
2006		28,935,942	15.37%
2007		29,571,280	2.15%
2008		32,221,464	8.22%
2009		29,980,632	-7.47%
2010		27,745,957	-8.05%
2011		29,692,959	6.56%
2012		41,172,166	27.88%
2013		35,144,274	-17.15%
2014		29,753,818	-18.12%

The Parish's portion (excluding the Library System) of ad valorem tax collections of \$25.6 million was moderately higher than that of 2013, which is a definite positive for the Parish. After the slight dip in Ad Valorem collections witnessed in 2010 caused from inventory changes with several of the large chemical plants within the Parish, it appears that property taxes have indeed stabilized. Going forward, it is my feeling that ad valorem taxes will continue to increase slightly each year around the 2% to 3% range, barring any unforeseen circumstances, but naturally we won't again witness the increases that occurred shortly after Hurricane Katrina. Below is a chart showing the history Ad Valorem tax collections for the past 10 years.

HISTORY OF AD VALOREM TAX COLLECTIONS

Year		Collections	% Change
2004	Actual	17,011,703	
2005		17,619,869	3.45%
2006		17,789,328	0.95%
2007		18,978,482	6.27%
2008		20,524,245	7.53%
2009		21,457,700	4.35%
2010		21,440,223	-0.08%
2011		22,138,137	3.15%
2012		23,765,761	6.85%
2013		24,732,160	3.91%
2014		25,644,015	3.56%

The Wastewater fund is still operating at a loss. While this is primarily due to depreciation of existing plant and equipment, the department is not funded at a level to prepare for future capital outlay. During 2010, we received approval of a \$6.5 million loan at .95% interest from the Department of Environmental Quality which will be used for capital outlay for the Wastewater Department, primarily on the two Sewer Treatment Plants, as well as vital upgrades to seven priority lift stations. As this loan will be repaid from the General Fund, the General Fund will therefore no longer supplement the Wastewater Department for additional capital outlay until the projects associated with the loan are completed. To date, in 2014, the Wastewater Department has currently utilized over \$4.6 million for the much needed improvements to the system and is anticipating utilizing the remaining \$1.9 million in 2015 to complete the projects.

The first official action beginning the 2015 budget process began in June of 2014. Memorandums were sent to department directors setting meeting dates to draft proposed budgets for each department for 2015. The process was concluded some eight months later with the budget being adopted. This concluded a period of intensive work by the Department of Finance as well other Parish Departments that produced a budget document that will serve as a financial management tool for the Parish President, the Parish Council and the Parish Departments during fiscal year 2015.

2014 STATISTICAL INFORMATION

Total Gross Payroll Disbursements	\$25,444,223.98
Total Payroll Checks Issued	16,066
Total Other Disbursements from Parish Funds	\$70,671,089.19
Total Other Checks Issued from Parish Funds	10,391

Grant M. Dussom, CPA